

# PERFORMANCE AUDIT

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## Indiana Area School District Indiana County, Pennsylvania

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April 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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**EUGENE A. DePASQUALE**  
**AUDITOR GENERAL**

Mr. Michael J. Vuckovich, Superintendent  
Indiana Area School District  
501 East Pike  
Indiana, Pennsylvania 15701

Mr. Walter Schroth, Board President  
Indiana Area School District  
501 East Pike  
Indiana, Pennsylvania 15701

Dear Mr. Vuckovich and Mr. Schroth:

We have conducted a performance audit of the Indiana Area School District (District) for the period July 1, 2014 through June 30, 2018, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Transportation Operations
- Bus Driver Requirements

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the results in this report. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

Our audit found that the District performed adequately in the bulleted areas listed above.

We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale  
Auditor General

April 17, 2020

cc: **INDIANA AREA SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2018-19 School Year <sup>A</sup>	
County	Indiana
Total Square Miles	82
Number of School Buildings	6
Total Teachers	215
Total Full or Part-Time Support Staff	122
Total Administrators	15
Total Enrollment for Most Recent School Year	2,844
Intermediate Unit Number	28
District Career and Technical School	Indiana County Technical Center

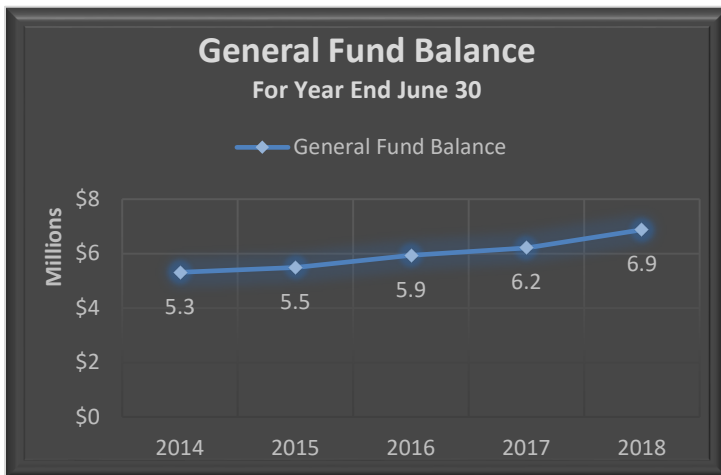
A - Source: Information provided by the District administration and is unaudited.

## Mission Statement<sup>A</sup>

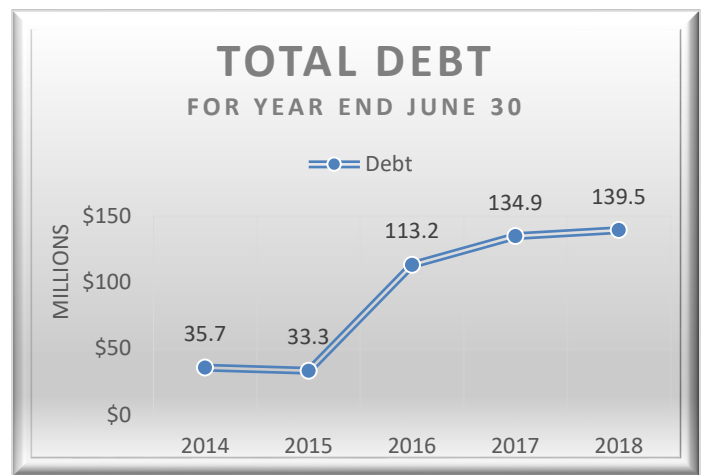
To provide supportive and engaging educational experiences that prepare students to be productive citizens who positively impact society.

## Financial Information

The following pages contain financial information about the Indiana Area School District (District) obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.

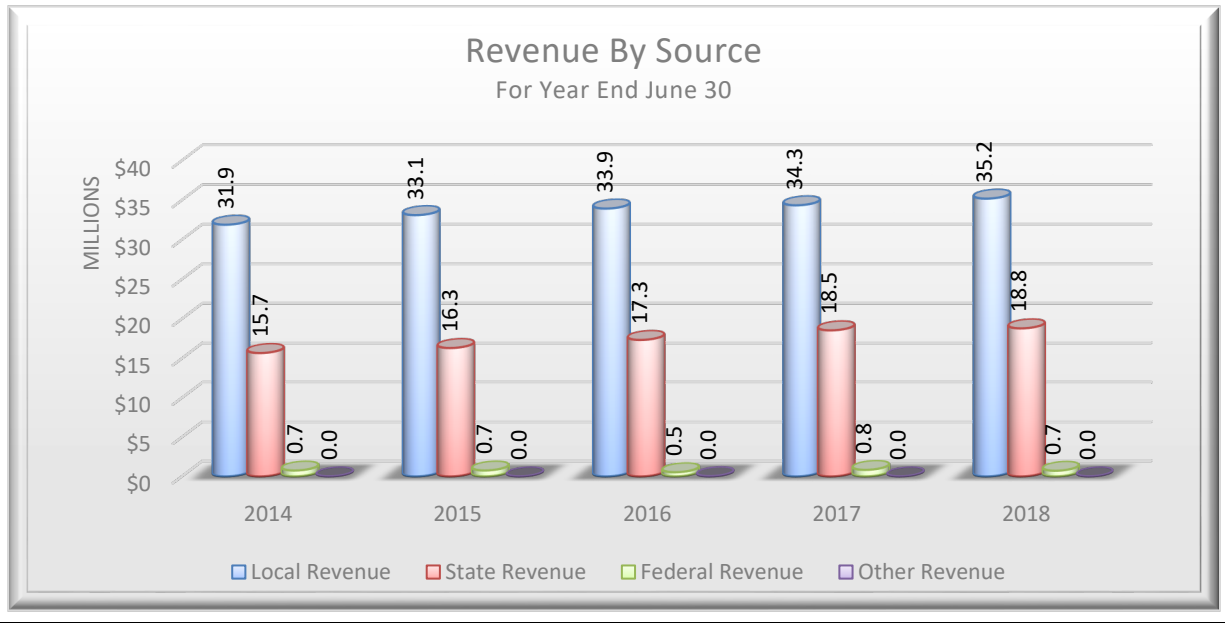
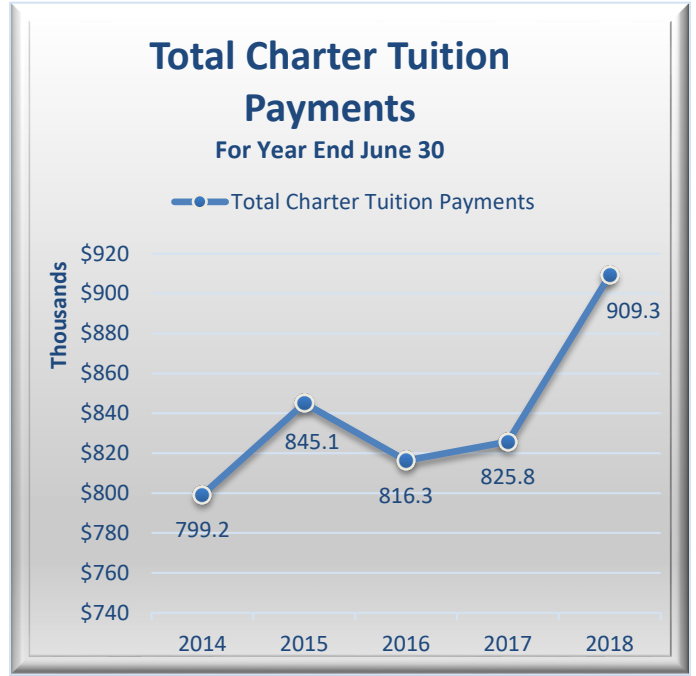
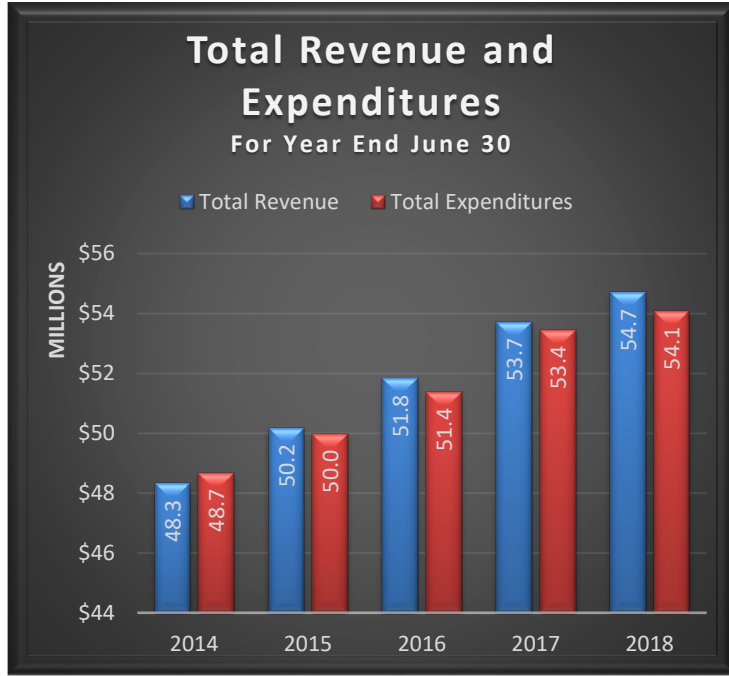


**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



**Note:** Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

## Financial Information Continued

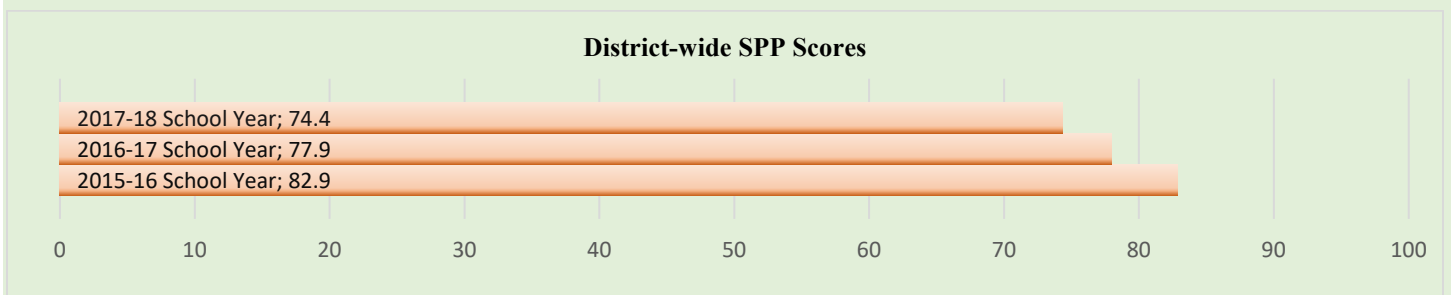


## Academic Information

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2015-16, 2016-17, and 2017-18 school years.<sup>1</sup> The District's individual school building scores are presented in Appendix B. These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department.

### What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score annually using a 0-100 scale for all school buildings in the Commonwealth, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.<sup>2</sup>



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<sup>1</sup> PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publicly available website.

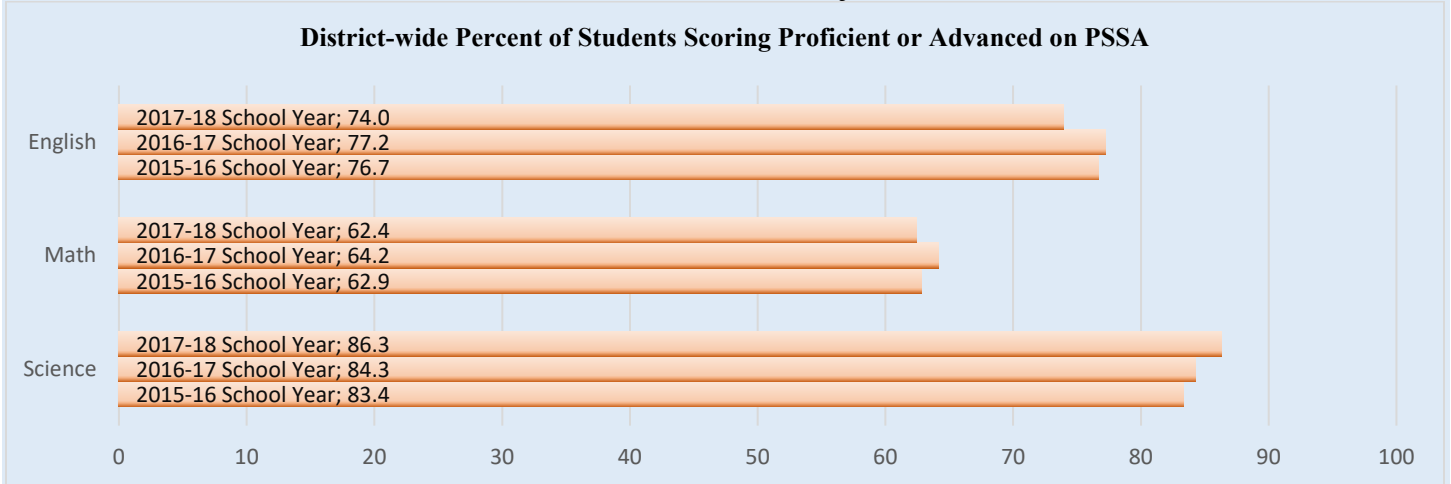
<sup>2</sup> PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

## Academic Information Continued

### What is the PSSA?

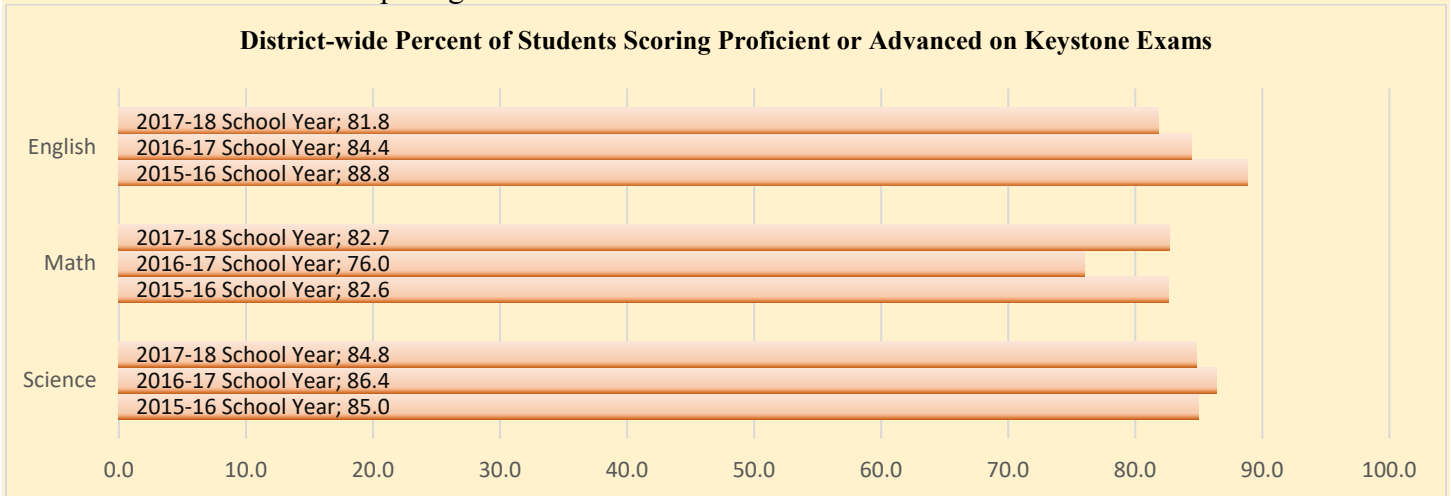
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards. The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.



### What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.<sup>3</sup> In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

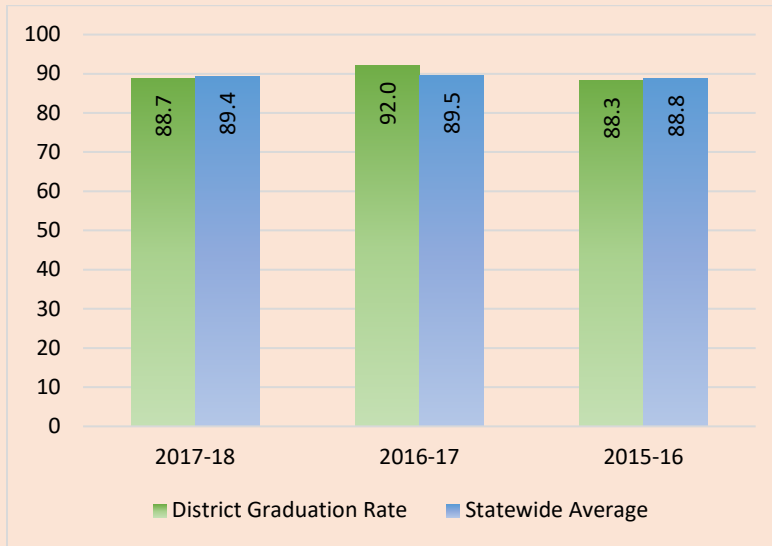


<sup>3</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1).

## Academic Information Continued

### What is a 4-Year Cohort Graduation Rate?

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph below.<sup>4</sup>



<sup>4</sup> PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate.aspx>.



## Finding

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For the audited period, our audit of the Indiana Area School District resulted in no findings.

## Status of Prior Audit Findings and Observations

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Our prior Limited Procedures Engagement of the Indiana Area School District (District) released on February 18, 2016, resulted in one finding as shown below. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We interviewed District personnel and performed audit procedures as detailed in each status section below.

### Auditor General Performance Audit Report Released on February 18, 2016

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**Prior Finding:**                    **The District Disregarded Regulations Pertaining to the Rehiring of an Annuitant**

Prior Finding Summary: During our prior audit, we found that the District compensated one rehired retiree for over four years and continued to employ this retiree, in possible noncompliance with Public School Employees' Retirement Code (PSERC). The employee in question retired from the District effective February 10, 2012, and a contract was signed on February 13, 2012, to rehire this employee as an independent contractor. The initial contract was for the period February 20, 2012 through June 30, 2012. On July 1, 2013, a new annual contract was signed for the next four school years, up to and including the 2015-16 school year.

Prior Recommendations: We recommended that the District should:

1. Consult with its solicitor and work with the Public School Employees' Retirement System (PSERS) to develop an appropriate course of action for the annuitant currently employed by the District.
2. Develop and implement Board of School Directors' (Board) approved policies and procedures to address rehiring of annuitants and compliance with all applicable provisions of the PSERC and PSERS guidelines. These procedures should ensure that the Board and the public are informed of the allowable exceptions and contract terms applicable to annuitants rehired by the District.

Current Status: The District implemented our prior recommendation when it consulted with its solicitor and PSERS concerning the annuitant employed by the District. PSERS determined that no further action was necessary for the annuitant. However, District administration has not developed any specific written policies or procedures to address the rehiring of annuitants and compliance requirements with the provisions of PSERC and PSERS.

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## Appendix A: Audit Scope, Objectives, and Methodology

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School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,<sup>5</sup> is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

### Scope

Overall, our audit covered the period July 1, 2014 through June 30, 2018. In addition, the scope of each individual audit objective is detailed on the next page.

The Indiana Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).<sup>6</sup> In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, if applicable, that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

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<sup>5</sup> 72 P.S. §§ 402 and 403.

<sup>6</sup> Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

## Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2014 through June 30, 2018. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's efficiency and effectiveness in the following areas:

- ❖ Transportation Operations
- ❖ Bus Driver Requirements
- ❖ School Safety

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>7</sup>
  - To address this objective, we assessed the District's internal controls for obtaining, processing, and reporting transportation data to PDE. We then randomly selected 10 of the 62 vehicles reported to PDE for the 2017-18 school year.<sup>8</sup> For the selected vehicles used to transport students, we obtained odometer readings, student rosters, and school calendars to verify the accuracy of miles transported with and without students reported to PDE, along with the number of days students transported. We ensured that the District accurately calculated and reported sample averages to PDE and was reimbursed accurately for this reported information. Additionally, we reviewed all of the nonpublic school students transported by the District and reported to PDE for the 2014-15 through 2017-18 school years.<sup>9</sup> We obtained nonpublic school rosters, bus rosters, and requests for transportation to ensure that the total number of nonpublic schools students transported was accurately reported to PDE. Our review of this objective did not disclose any reportable issues.
- Did the District ensure that all bus drivers transporting District students are Board of School Directors (Board) approved and had the required driver's license, physical exam, training, background checks, and clearances<sup>10</sup> as outlined in applicable laws?<sup>11</sup> Also, did the District adequately monitor driver records to

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<sup>7</sup> See 24 P.S. §§ 25-2541.

<sup>8</sup> While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective, accordingly, the results of this audit procedure are not, and should not be, projected to the population.

<sup>9</sup> The District reported to PDE 112 nonpublic school students transported for the 2014-15 school year, 96 nonpublic school students transported for the 2015-16 school year, 121 nonpublic school students transported for the 2016-17 school year, and 119 nonpublic school students transported for the 2017-18 school year.

<sup>10</sup> Auditors reviewed the required state, federal and child abuse background clearances that the District obtained from the most reliable sources available, including the FBI, the Pennsylvania State Police and the Department of Human Services. However, due to the sensitive and confidential nature of this information, we were unable to assess the reliability or completeness of these third-party databases.

<sup>11</sup> 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 Pa. Code Chapter 8.

ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?

- To address this objective, we assessed the District’s internal controls for maintaining and reviewing required bus driver qualification documents and procedures for being made aware of who transported students daily. We determined if all drivers were Board approved by the District. We reviewed all 49 bus and van drivers transporting District students as of February 20, 2020 and reviewed documentation to determine if the District complied with the requirements for bus drivers qualifications and clearances. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and physicals. Our review of this objective did not disclose any reportable issues.
  
- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, memorandums of understanding with local law enforcement, and fire drills?<sup>12</sup> Also, did the District follow best practices related to physical building security and providing a safe school environment?
  - ✓ To address this objective, we reviewed a variety of documentation including, safety plans, evidence of physical building security assessments and school climate surveys, training schedules, anti-bullying policies, safety committee meeting minutes, fire drill documentation, and after action reports. Due to the sensitive nature of school safety, the results of our review of this objective area are not described in our audit report, but they were shared with District officials, PDE’s Office of Safe Schools, and other appropriate law enforcement agencies deemed necessary.<sup>13</sup>

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<sup>12</sup> 24 P.S. § 13-1301-A *et seq.*, 35 Pa.C.S. § 7701, and 24 P.S. § 15-1517.

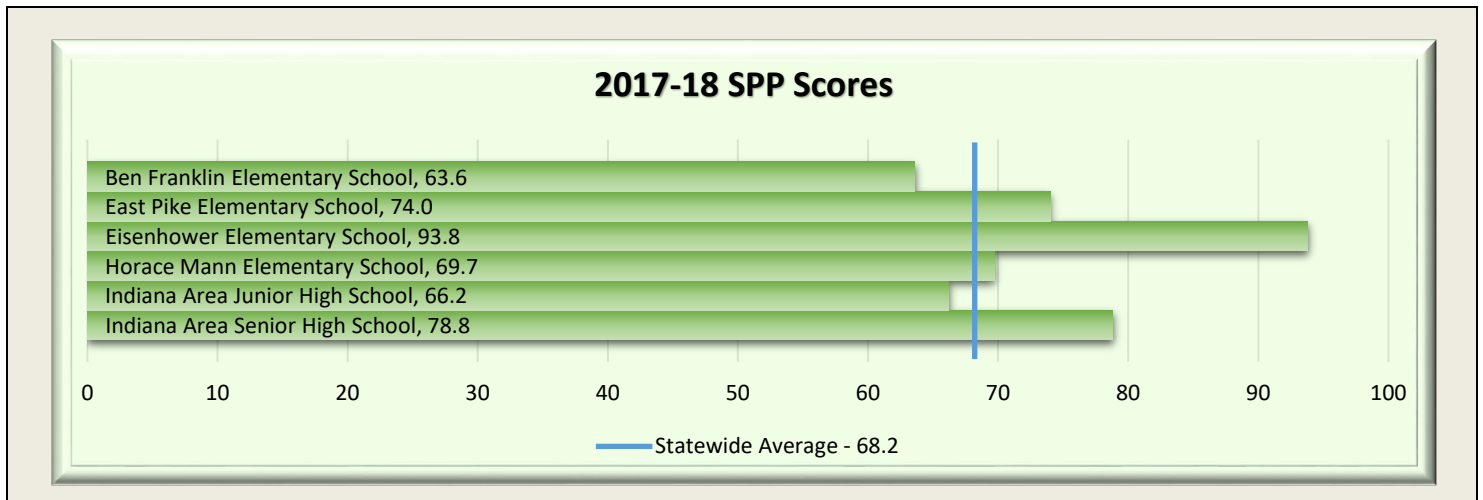
<sup>13</sup> Other law enforcement agencies include the Pennsylvania State Police, the Attorney General’s Office, and local law enforcement with jurisdiction over the District’s school buildings.

## Appendix B: Academic Detail by Building

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Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>14</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>15</sup>

### 2017-18 Academic Data School Scores Compared to Statewide Averages

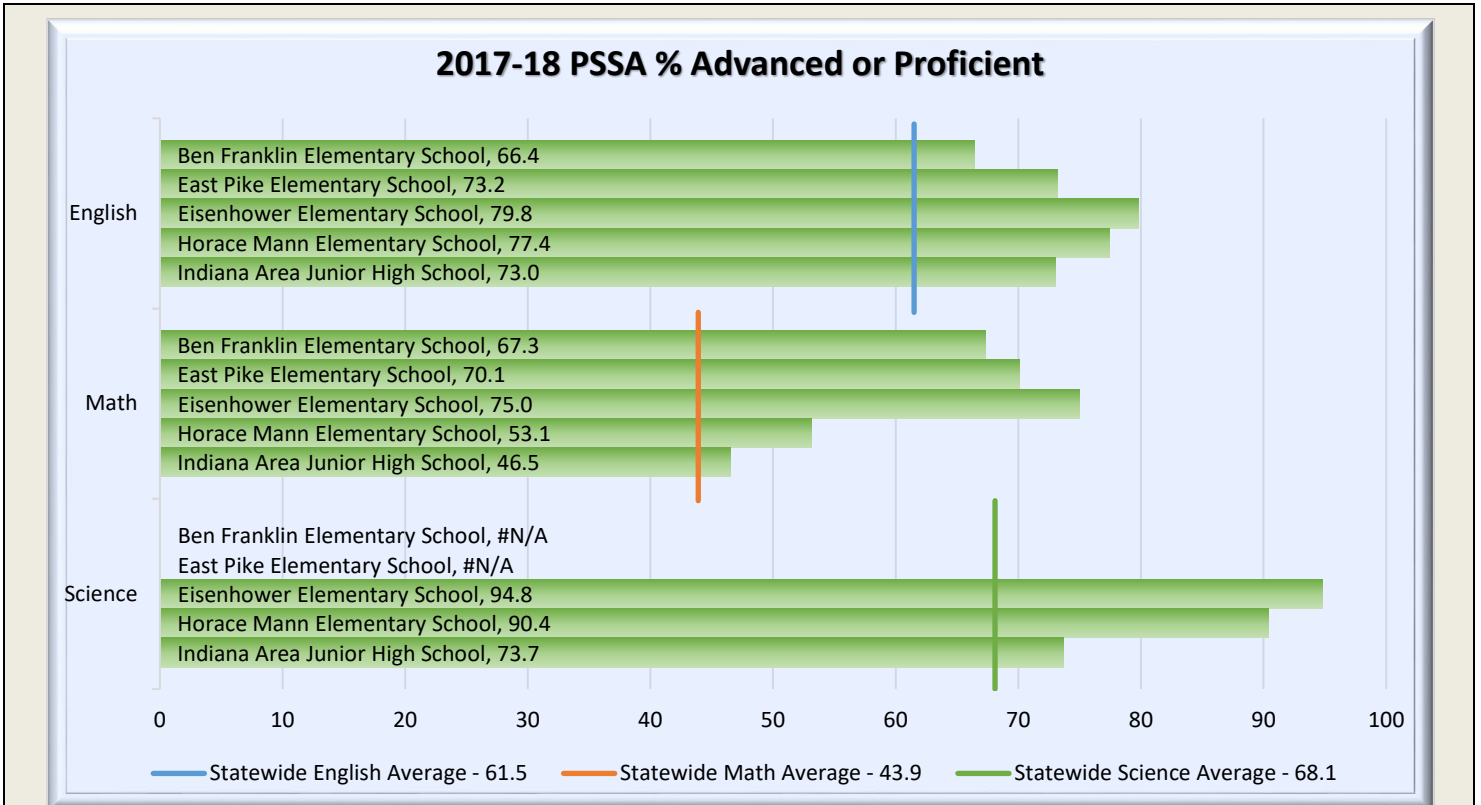


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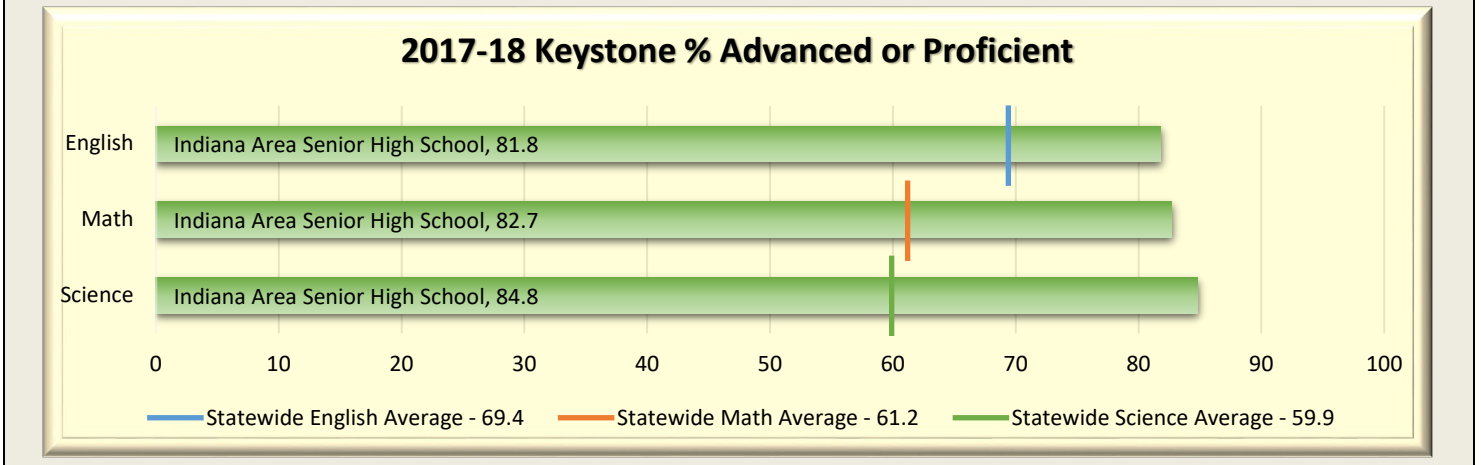
<sup>14</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

<sup>15</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

**2017-18 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**

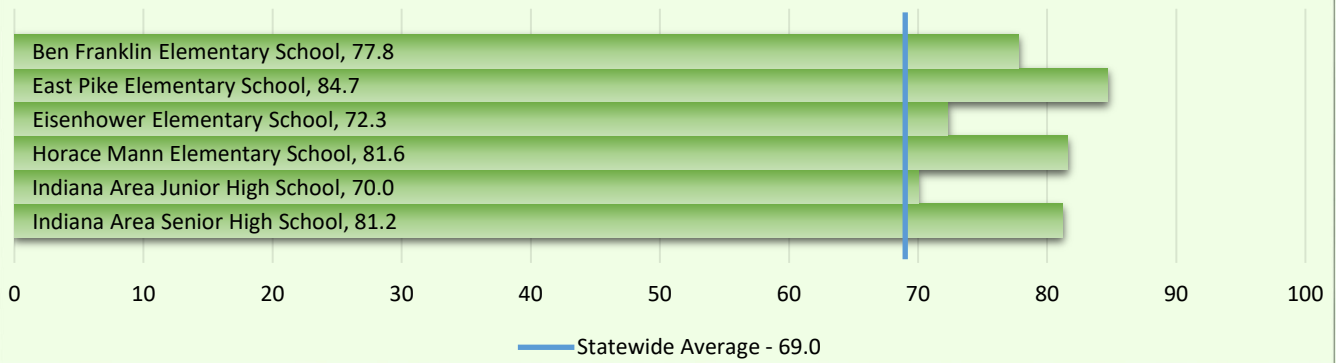


#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Ben Franklin Elementary School and the East Pike Elementary School are pre-kindergarten through 3<sup>rd</sup> grade; therefore, Science PSSAs are not administered to these schools' students.

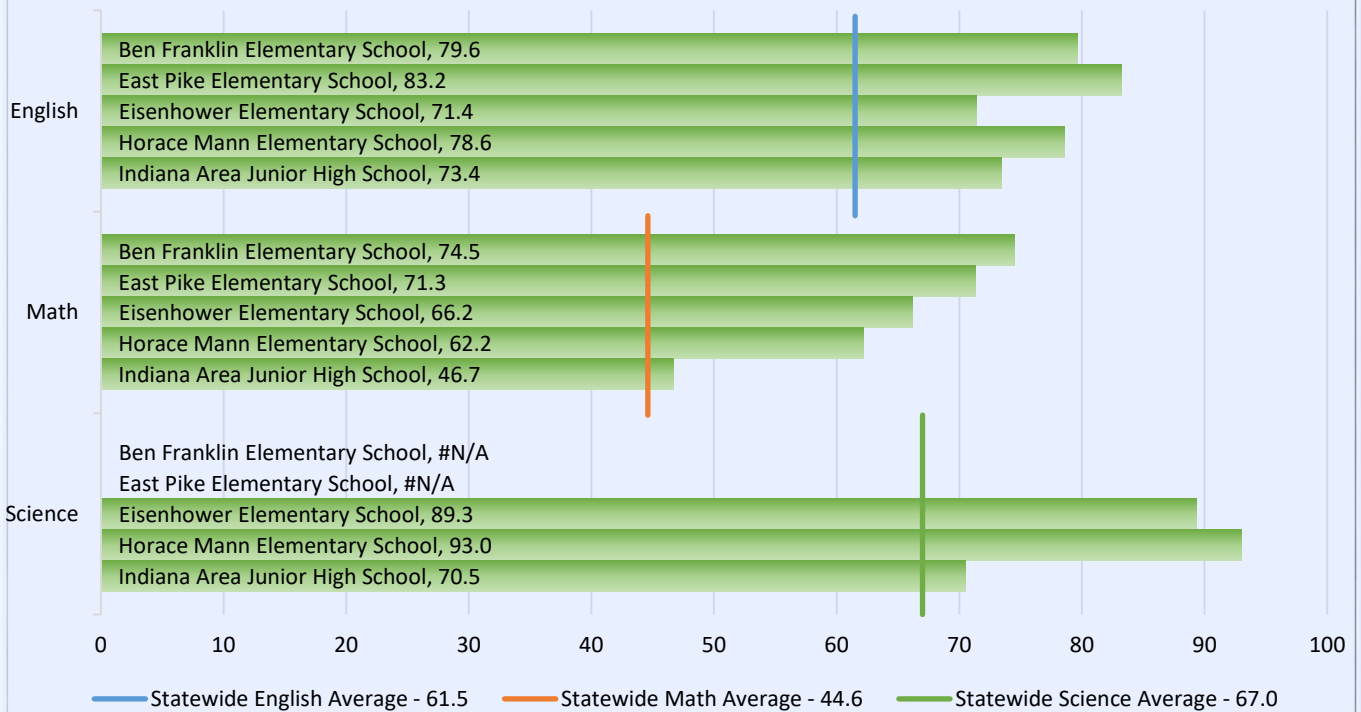


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages**

**2016-17 SPP Scores**



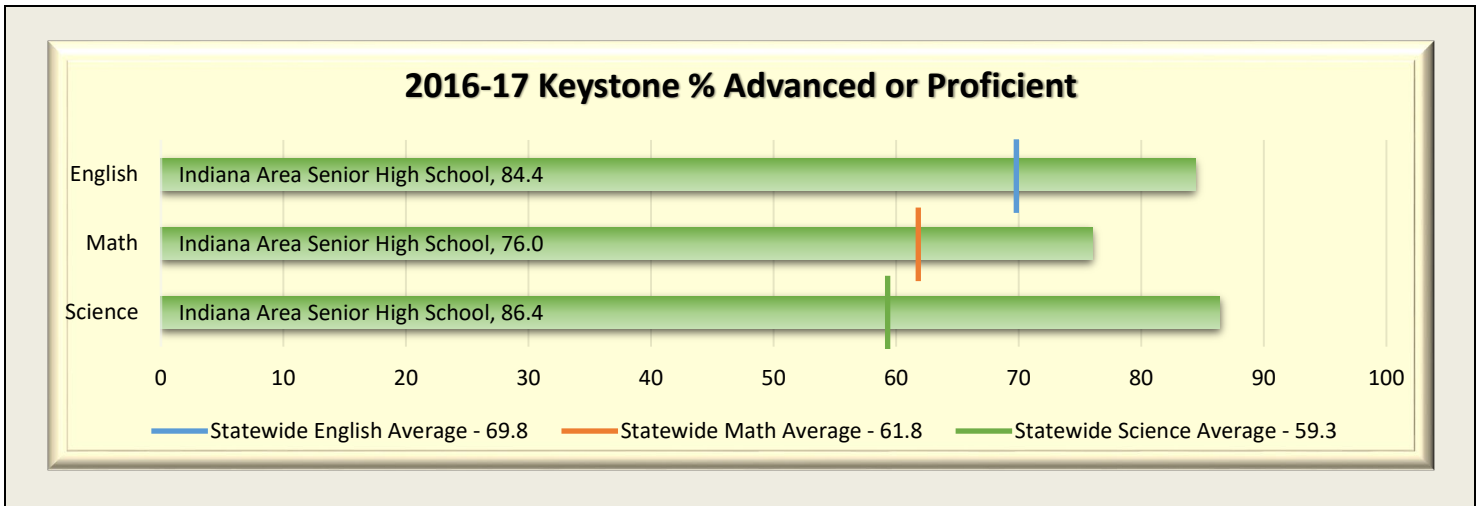
**2016-17 PSSA % Advanced or Proficient**



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Ben Franklin Elementary School and the East Pike Elementary School are pre-kindergarten through 3<sup>rd</sup> grade; therefore, Science PSSAs are not administered to these schools' students.

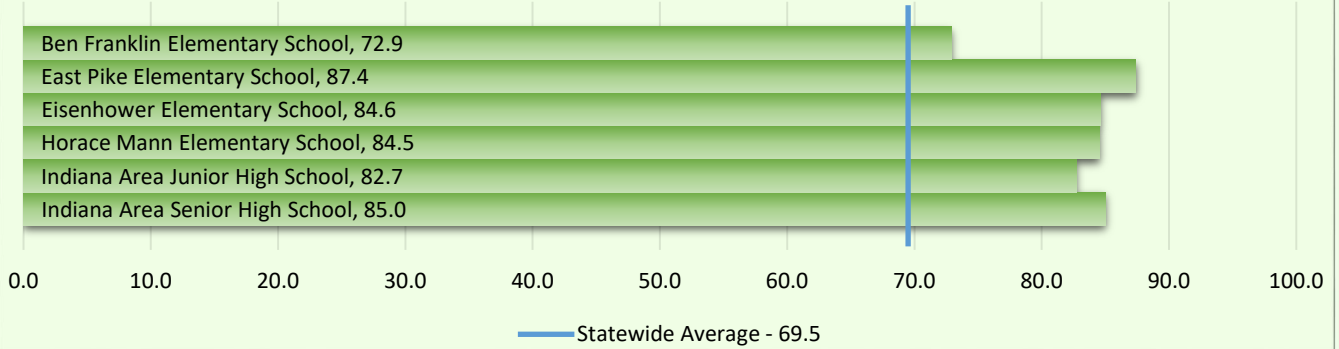


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**

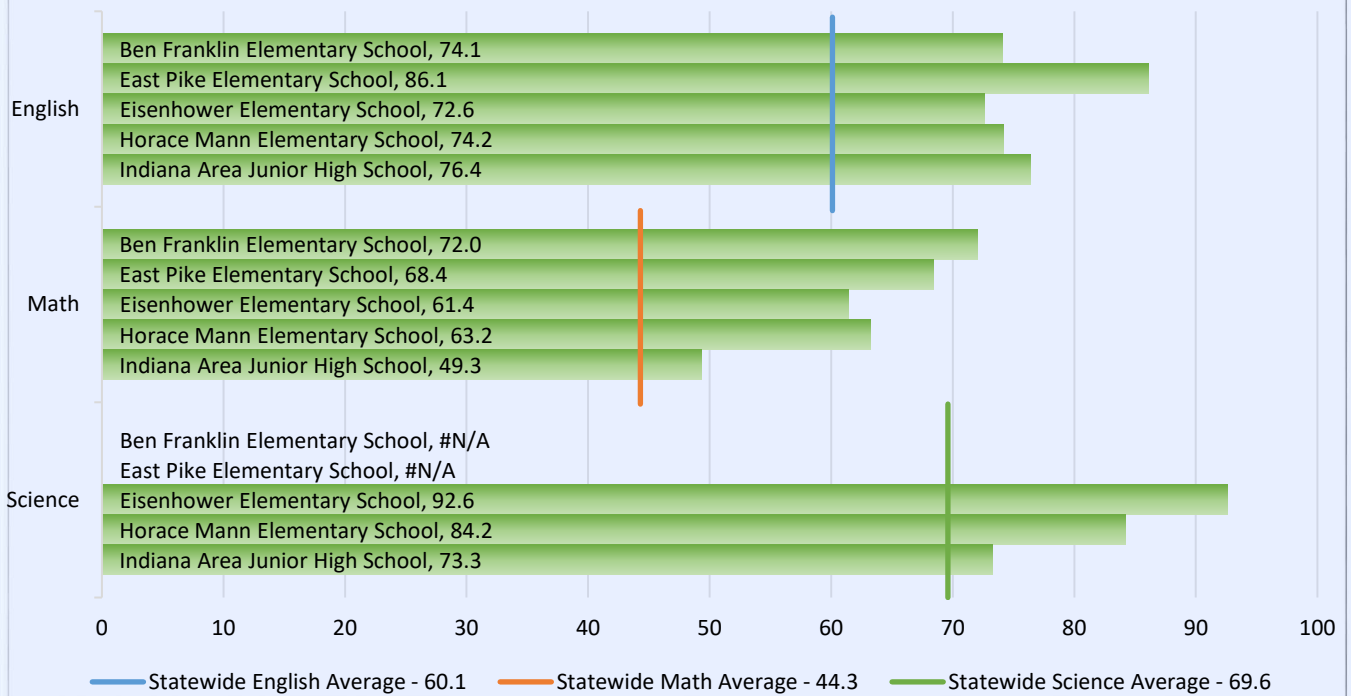


**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**

**2015-16 SPP Scores**

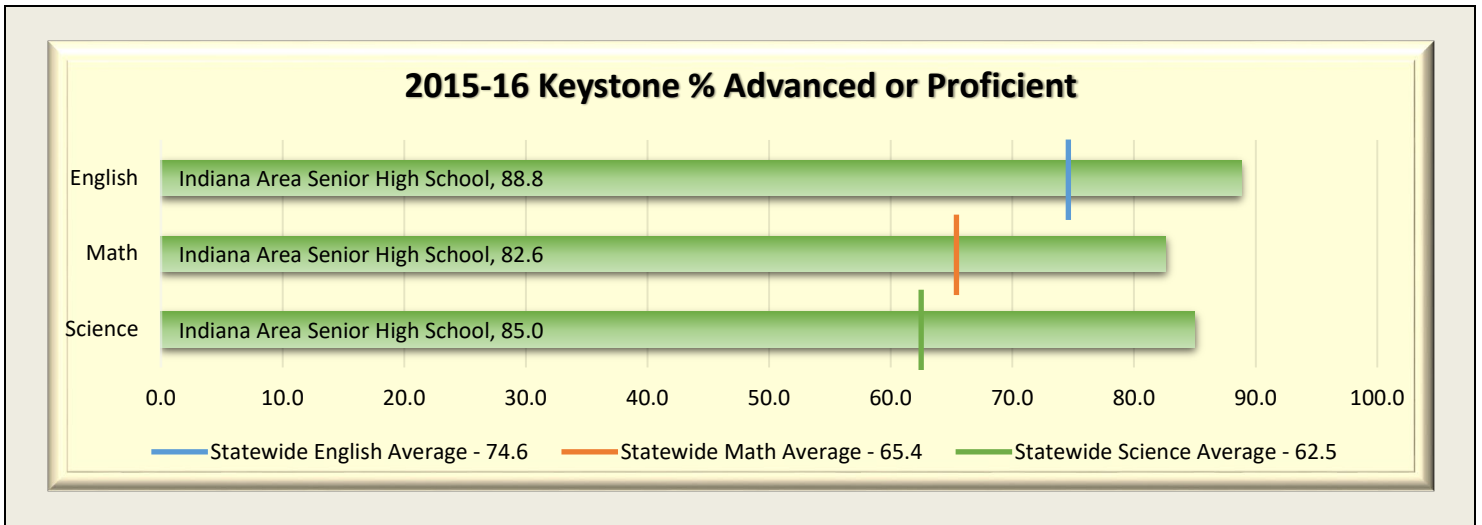


**2015-16 PSSA % Advanced or Proficient**



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Ben Franklin Elementary School and the East Pike Elementary School are pre-kindergarten through 3<sup>rd</sup> grade; therefore, Science PSSAs are not administered to these schools' students.

**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**



## **Distribution List**

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This report was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

**The Honorable Tom W. Wolf**

Governor  
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Harrisburg, PA 17120

**The Honorable Pedro A. Rivera**

Secretary of Education  
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**The Honorable Joe Torsella**

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Executive Director  
Pennsylvania School Boards Association  
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Mechanicsburg, PA 17050

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